

BJI INDUSTRIES, INC.

1702 Metrocrest Drive, Carrollton, TX 75006

Phone: (972) 416-2668 Fax: (972) 416-0078

May 5, 2000

Specialty Retailers Inc
10201 S Main Street
Houston, TX 77025

Attn: Accounts Payable / Vendor Compliance

Sir/Madam,

After an exhaustive recap of numerous and what appear to be excessive chargebacks, I have outlined below those instances where I believe we are due a refund:

1. Invoice #183901 / PO#7746229: On check #084126 chargeback for items "sent as prepacks - ordered as bulk". The PO States "**Prepack**".

Refund Due BJI: **\$1,832.40**

2. Invoice #183922 / PO#7736622: On check #084126 chargeback for items "sent as prepacks - ordered in bulk". The PO clearly states "**Coming in 12 pc prepacks**". Chargeback invalid.

Refund Due BJI: **\$226.80**

3. Invoice #185240 / PO#7248695: On check #086568 chargebacks for "**color incorrect or missing; size not listed; qtys not to size level on pack slip; and inaccurate ASN**". The color is clearly listed on both the packing slip and invoice (stonewash, dark stonewash or black); sizes are listed on packing slip; these items are prepacked overseas each box with the same number of 4's, 5's etc., and as for the ASN, we did not nor are we now set up to send you ASN's via EDI. If by the ASN you refer to your traffic department being aware that this shipment was coming, I faxed a "**Vendor Volume Shipment Request Form**" to Don Adams and was given routing for this shipment with a quote # to use on the BOL.. In this case, this would constitute an ASN.

Refund due BJI: **\$1,010.81**

4. Invoice #185508 / PO#7147627: On check #086916 chargeback for shipping discrepancy. POD received from Central. All cartons delivered and signed for.

Refund due BJI: **\$105.00**

5. Invoice #185509 / PO#71487570: On check #088365 charge for UPC /QRS

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vendor info conflict. We did not participate in the EDI / QRS catalog with Specialty Retailers.

Refund due BJI:

\$279.30

6. Invoice #186087 / PO#7959125: On check #088242 chargebacks for **"crtns exceed 50 lb shipping wt" & 24 pcs missing from shipment**. As for the weight of the cartons, if care had been taken to check both the packing slip and the BOL, it would have been obvious that these cartons came no where near 50 lbs. In fact, these cartons weighed approximately 15 lbs each. Total weight of this purchase order was 1159 lbs, divided by 73 cartons = ~15 lbs. As for shortages, POD provided and shows all cartons received.

Refund due BJI:

\$870.00

7. Invoice #186088 / PO#7147686: On check #088242 charge for UPC / QRS vendor info conflict. As stated earlier, we were not set up for EDI with Specialty Retailers.

Refund due BJI:

\$1,078.35

8. Invoice #186194 / PO#7245106: On check #087879 chargebacks were issued for no less than 4 **"wrong carrier"** violations. Also, missing packing slip, no color, no size, no prepack, cartons not ID'd as preticketed. I addressed these issues in June of 1999 with your DC. Nothing was done about it then. If you will look at the evidence regarding "wrong carrier", I faxed a "Vendor Volume Shipment Request Form" and received my routing of American Freightways and a quote number from Don Adams. It can't be clearer than that. If you will check your own routing guide, it states that for shipments over certain weights, you must call for routing. As for the other violations, on the labels stenciled on the outside of each and every box, is the "ship from, ship to, style, color, # cartons, size range, and the prepack. The packing slip is located on the lead carton in a clear plastic sleeve clearly marked with orange and black letters that say **"packing slip enclosed"**.

Refund due BJI:

\$2,834.92

9. Invoice #187290 / PO#7245238 & Invoice #187289 / PO#7803214; On check #089868 there were two chargebacks for a total of \$4,226.07. These chargebacks were for **"tickets don't include dept/class/style"**. I am at a loss as to what this means. Since tickets were provided by your company, I would have to deny our responsibility in this matter. We should not be held responsible for what your ticketing department does or does not do.

Refund due BJI:

\$4,226.07

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10. Invoice #192655 / PO#8075999. On check #253798 there were chargebacks issued for **"Vendor tkt does not include \$"**, **"We do not pay advance charges"** and **"shipped past do not ship date"**. First, as stated before, you supply us tickets for the garments and a copy is attached. Quality control for content on the tickets should have been taken care of at your facility. As for advance charges, what are they and why should we be responsible for absorbing them? As for shipping past the date, as you can see by the shipping documents included, that was not the case. Pick up was requested for 10/6/99 and PDSI picked this up on 10/8/99. A simple check of the documents should have made this chargeback unnecessary.

Refund due BJI: **\$3,829.44**

11. Invoice #188536 / PO#8005443. On check #253798 a chargeback was issued for **"ppk qty not pk 17F"**. At once merchandise was ordered and preticketed by us in our warehouse. Sizes were as requested. 4(2); 5(3); 6(3); 7(2); 7X(2) (12 pc ctns). Do not see reason for this chargeback.

Refund due BJI: **\$450.00**

12. Invoice #186385 / PO#7245092. On check #089163 a chargeback was issued for **"no packing slip provided"**. On each and every shipment a packing slip is included inside a plastic sleeve clearly marked **packing slip enclosed** and attached to the lead carton. Have included copy of packing slip that was attached to lead carton.

Refund due BJI: **\$3,645.00**

13. Invoice #190857 / PO#10000084(10001837). On check #251340 a chargeback was issued for **"no packing slip provided"**. As stated in #13, each and every shipment has a packing slip attached to the lead carton in a plastic sleeve clearly marked **packing slip enclosed**. Have provided copy of packing slip that was attached to that lead carton

Refund due BJI: **\$635.04**

14. Invoice #191005 / PO#7249187. A chargeback was issued for 18 pieces short on this shipment. Have requested a POD.

Refund due BJI: **\$243.00**

15. Invoice #189188 / PO#7249136. On check #090532 chargebacks were issued

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for **"qtys not up to size level on packing slip"**. Have included copy of invoice, packing slip, purchase order, and our production form from factory showing size range requested and produced.

Refund due BJI:

\$3,716.64

16. Invoice #189186 / PO#7803265. On check #090532 a chargeback was issued for **"prepack qty & size not on pack slip"** and **"qtys not to size level on packing slip"**. Have included copy of packing slip showing size ranges of 8-20 on both styles as requested on purchase order. Breakdown of pieces per size is the same for all styles in the 8-20 size range.

Refund due BJI:

\$5,806.08

17. Invoice #194167 / PO#8016399 (10008734). On check #255667 chargebacks were taken for: **"po incorrect or not listed on ctn, dept not listed, style # incorrect, Color incorrect, size incorrect, & prepack & size run not on packing slip"**. 1) Each and every carton has a stencil/label which includes: ship from, ship to, packing slip #, purchase order #, Dept #, style #, Size range, Color, # pieces per carton, & total cartons. From this information, these chargebacks should not have been issued; 2) Packing slip clearly lists the style # and size range (88 727 (style #), 8-20 (size run);

Refund due BJI

\$ 1,354.32

18. Invoice #194168 / PO#8016399. On check #255667 a chargeback was issued for advance charges. Why are we responsible for these charges?

Refund due BJI

\$70.07

19. Invoice #194169 / PO#10010232 / PO#8060657 (10010232). Chargebacks were issued for **"no packing slip provided"**. Packing slips are always attached to the lead carton of a shipment in a plastic sleeve clearly marked **"packing slip enclosed"**. If there was no packing slip, then a carton would have been missing.

Refund due BJI:

\$1,060.56

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20. Invoice #186468 / PO#7805810. On check #089448, a chargeback was issued for **"no packing slip provided"**. I have included a copy of the packing slip that was attached to the lead carton. These are on **each and every** lead carton leaving this warehouse. I have also included a sample of our packing slip.

Refund due BJI: \$2,255.22

21. Invoice #189186 / PO#7803265 . On check # 090532, there is a chargeback for **"Overshipment"**. Have included copy of packing slip showing what was shipped.

Refund due BJI: \$4,838.40

22. Invoice #184649 / PO#7245084. On check #085525 chargebacks were issued for **"mixed sizes & unable to read packing slip"**. Have included copy of purchase order and packing slip. Purchase order lists **"prepack"** and packing slip is very easy to read.

Refund due BJI: \$432.00

23. Copies of letters requesting credits for samples returned to us but not manufactured by us. Samples were returned to store that sent them to us.

Refund due BJI: \$204.10

I would appreciate your prompt response to the above items. If the above cannot be resolved, I have no other recourse but to seek legal action to collect.

Sincerely,



Patricia Dunipace
Assistant Sales Manager

Enclosures

CC: John Torkelson
Timmons & Kelly, Attorney at Law